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June 2, 2006

BY ELECTRONIC FILING AND OVERNIGHT DELIVERY

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 06-42

Dear Ms. Cottrell:

Enclosed for filing is Bay State's REVISED Response to AG RR-1.

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: John J. Geary, Hearing Officer (3 copies)  
Jamie M. Tosches, Esq., Assistant Attorney General (4 copies)  
Andreas Thanos, Assistant Director, Gas Division  
Alexander Kofitse, Analyst, Gas Division  
Kenneth Dell Orto, Analyst, Gas Division

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
RECORD REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-42

Date: June 2, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

AG RR-1: Please provide the delivered cost of gas to the city gate for each of the Company's existing storage contracts, including commodity cost differentials based on the location of the source of the gas, variable transportation costs, demand charges and any fuel retention.

RESPONSE: Please see Attachment AG RR-1.

**REVISED**

**RESPONSE:** Please see Revised Attachment AG RR-1, which includes the Washington 10 cost for delivery to the city gate.

Bay State Gas Company  
Storage Analysis

2006-2007												
<b><u>Storage Facility</u></b>		Summer	Pipeline to	Storage	Fuel	Fuel Cost	Inventory Cost	Pipeline from	Fuel	Fuel Cost	<b>City-Gate Price</b>	
		Purchase at Gulf Coast	Storage					Storage				
Tetco FSS-1	90 Days	\$6.47	\$0.38	\$0.34	7.72%	\$0.56	\$7.76	\$0.59	5.55%	\$0.4631	\$8.81	
Tetco SS-1	90 Days	\$6.47	\$0.38	\$1.11	7.72%	\$0.62	\$8.58	\$0.26	5.32%	\$0.4707	\$9.32	
Dominion	90 Days	\$6.47	\$0.38	\$0.43	9.52%	\$0.69	\$7.98	\$0.56	4.79%	\$0.4090	\$8.95	
National Fuel	90 Days	\$6.45	\$0.46	\$0.76	6.55%	\$0.50	\$8.18	\$0.28	2.17%	\$0.1836	\$8.64	
Tennessee	90 Days	\$6.45	\$0.46	\$0.46	6.55%	\$0.48	\$7.85	\$0.28	2.17%	\$0.1765	\$8.31	
W10 Brockton	90 Days	\$6.44	\$0.20	\$0.69	2.20%	\$0.16	\$7.49	\$0.90	6.40%	\$0.5369	\$8.93	
W10 Springfield	90 Days	\$6.44	\$0.20	\$0.69	2.20%	\$0.16	\$7.49	\$0.70	4.14%	\$0.3391	\$8.53	